

## **FISCAL NOTE**

### **HB 2908 - SB 3633**

March 6, 2008

**SUMMARY OF BILL:** Creates the Department of Juvenile Justice and transfers all programs and services related to children adjudicated delinquent or unruly from the Department of Children's Services.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$12,000,000/One-Time  
\$3,040,000/Recurring**

**Other Fiscal Impact – There will be a transfer of expenditures from the Department of Children's Services to the created Department of Juvenile Justice reflecting the transfer of positions and operation of five youth development centers and nine community treatment centers. Such is estimated to be \$84,957,100.**

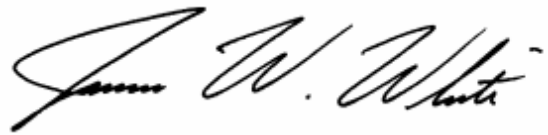
#### **Assumptions:**

- The increase in recurring expenditures reflects the salaries and benefits of the commissioner, deputy commissioner, assistant commissioners and director level staff positions that are not currently part of the Division of Juvenile Justice.
- The increase in one-time expenditures reflects the development of an information system separate from the TNKIDS system.
- Unruly children in state custody are part of the designated class in *Brian A. v. Sundquist Settlement Agreement* and caseload caps and placement restrictions would apply to the new Department of Juvenile Justice.
- The Department of Children's Services (DCS) states that federal funding received through Targeted Case Management, Medicaid residential treatment, and Federal Title IV-E could be in jeopardy if transferring the juveniles resulted in the loss of eligibility for the programs. DCS estimates the amount of federal funds in jeopardy at \$37,396,016.
- According to the National Conference of State Legislatures Child Welfare Project, a separate department of juvenile justice can claim Title IV-E funds for delinquent juveniles provided that the child meets the Title IV-E eligibility requirements, is placed in an eligible setting and the department has a Title IV-E agreement with DCS. The same is assumed

to be true for juveniles classified as unruly if all eligibility requirements are met, which includes a court finds that remaining in the home would be contrary to the welfare of the child.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kml